

# FACT SHEET | **Compromise Proposals: Increased Vehicle Tab Fees**

*2016 Budget for a Better Minnesota*

With just seven days remaining in the 2016 Legislative Session, and only six days in which the Legislature is constitutionally authorized to pass bills, Governor Dayton is urging legislators to act quickly to enact a compromise transportation solution. The Governor's two proposals include ideas supported and passed by the Minnesota Senate and House of Representatives, including increased vehicle tab fees.

## **Compromise Proposals: Increased Vehicle Tab Fees**

Governor Dayton's two compromise proposals rely on increasing vehicle tab fees to help generate \$600 million per year for roads and bridges (including \$240 million in annual, ongoing funding for cities and counties to make local road and bridge improvements). The first proposal, which includes a 5-cent gas tax increase, would raise vehicle tab fees to bring in an additional \$250 million per year for roads and bridges. The second proposal, which would not raise gas taxes, would increase vehicle tab fees to generate \$400 million in new funding for roads and bridges. Below are two charts that detail how vehicle tab fees would increase under each proposal.

	<b>Governor Dayton's Compromise Proposal #1</b>	<b>Governor Dayton's Compromise Proposal #2</b>
<b>Base Fee</b>	\$20, up from the current \$10	\$20, up from the current \$10
<b>Additional Tab Fee</b>	1.65% rate (up from the current 1.25%) with a minimum charge of \$35 (up from the current \$25)	1.63% rate (up from the current 1.25%) with a minimum charge of \$35 (up from the current \$25)
<b>Depreciation Rate Changes</b>	No changes	Restores the depreciation schedule to that prior to 2008, making rates fall more slowly
<b>TOTAL FUNDING, PER-YEAR:</b>	\$250 million	\$400 million
<b>TOTAL FUNDING, 10-YEAR:</b>	\$2.5 billion	\$4 billion

## **What Minnesotans Might Pay in Increased Vehicle Tab Fees**

The charts below outline what various Minnesotans might pay in increased vehicle tab fees, under the Governor's two transportation funding compromise proposals, for cars of different ages and values.

## \$15,000 Vehicle

<b>Age of Vehicle</b>	<b>Current Tab Fee</b>	<b>New Tab Fee, Compromise Proposal #1</b>	<b>New Tab Fee, Compromise Proposal #2</b>
<b>Year 1 (New Vehicle)</b>	\$198	\$268	\$265
<b>Year 2</b>	\$179	\$243	\$265
<b>Year 3</b>	\$160	\$218	\$240
<b>Year 4</b>	\$141	\$193	\$240
<b>Year 5</b>	\$123	\$169	\$203
<b>Year 6</b>	\$104	\$144	\$203
<b>Year 7</b>	\$85	\$119	\$167
<b>Year 8</b>	\$66	\$94	\$118
<b>Year 9</b>	\$48	\$70	\$93
<b>Year 10</b>	\$35	\$55	\$55
<b>11+ Years</b>	\$35	\$55	\$55

## \$30,000 Vehicle

<b>Age of Vehicle</b>	<b>Current Tab Fee</b>	<b>New Tab Fee, Compromise Proposal #1</b>	<b>New Tab Fee, Compromise Proposal #2</b>
<b>Year 1 (New Vehicle)</b>	\$385	\$515	\$509
<b>Year 2</b>	\$348	\$466	\$509
<b>Year 3</b>	\$310	\$416	\$460
<b>Year 4</b>	\$273	\$367	\$460
<b>Year 5</b>	\$235	\$317	\$387
<b>Year 6</b>	\$198	\$268	\$387
<b>Year 7</b>	\$160	\$218	\$313
<b>Year 8</b>	\$123	\$169	\$216
<b>Year 9</b>	\$85	\$119	\$167
<b>Year 10</b>	\$48	\$70	\$69
<b>11+ Years</b>	\$35	\$55	\$55

## \$45,000 Vehicle

<b>Age of Vehicle</b>	<b>Current Tab Fee</b>	<b>New Tab Fee, Compromise Proposal #1</b>	<b>New Tab Fee, Compromise Proposal #2</b>
<b>Year 1 (New Vehicle)</b>	\$573	\$763	\$754
<b>Year 2</b>	\$516	\$688	\$754
<b>Year 3</b>	\$460	\$614	\$680
<b>Year 4</b>	\$404	\$540	\$680
<b>Year 5</b>	\$348	\$466	\$570
<b>Year 6</b>	\$291	\$391	\$570
<b>Year 7</b>	\$235	\$317	\$460
<b>Year 8</b>	\$179	\$243	\$313
<b>Year 9</b>	\$123	\$169	\$240
<b>Year 10</b>	\$66	\$94	\$93
<b>11+ Years</b>	\$35	\$55	\$55

## \$60,000 Vehicle

<b>Age of Vehicle</b>	<b>Current Tab Fee</b>	<b>New Tab Fee, Compromise Proposal #1</b>	<b>New Tab Fee, Compromise Proposal #2</b>
<b>Year 1 (New Vehicle)</b>	\$760	\$1,010	\$998
<b>Year 2</b>	\$685	\$911	\$998
<b>Year 3</b>	\$610	\$812	\$900
<b>Year 4</b>	\$535	\$713	\$900
<b>Year 5</b>	\$460	\$614	\$754
<b>Year 6</b>	\$385	\$515	\$754
<b>Year 7</b>	\$310	\$416	\$607
<b>Year 8</b>	\$235	\$317	\$411
<b>Year 9</b>	\$160	\$218	\$313
<b>Year 10</b>	\$85	\$119	\$118
<b>11+ Years</b>	\$35	\$55	\$55